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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ROSEMARY GATE TOWNHOMES

KNOW ALL MEN AND WOMEN BY THESE PRESENTS, that:

Whereas, Dilworth Development, Inc. (hereinafter referred to as "Developer"), is the owner of certain real property lying and situated in Auburn, Lee County, Alabama, described as (1) Lots 40-A through 52-A and 53-A1 through 57-A1 as shown on that certain plat entitled Rosemary Gate, Redivision of Lots 40 Through 57A, Corrective Plat, Being A Redivision of Lots 40-52 Old Towne Station and Lots 53A-57A Rosemary Gate recorded in Town Plat Book 39, at Page 73 (2) Lots 95 through Lot 121 as shown on that certain plat entitled Rosemary Gate Subdivision, Redivision of Future Development 2.53 Acre Parcel Old Towne Station recorded in Town Plat Book 40, at Page 173 and (3) Lots 64-A through 69-A as shown on that certain plat entitled Rosemary Gate Subdivision, Redivision of Lots 53-76, 81-84 Old Towne Station, Redivision of Lots 65-A Through 68-A, all of which being recorded in the Office of the Judge of Probate of Lee County, Alabama (the "Property");

Whereas, Developer desires to the Property which shall consist solely of townhomes (hereinafter collectively referred to as "the Lots") along with Common Areas D as shown on the plat of record in Town Plat Book 39, at Page 173 ("the Common Area"), said Lots and Common Area located in the development which is to be known Rosemary Gate Townhomes (the "Development") and to impose upon said Lots and Common Area mutual and beneficial restrictions, covenants, terms, conditions and limitations (herein for convenience sometimes referred to as "Restrictions") for the benefit of all Lots in the Development and the future Owners of said Lots;

Now therefore, Developer does hereby proclaim, publish and declare that all of said Property along with Common Area D are subject to, held and shall be held, conveyed, hypothecated or encumbered, rented, used, occupied, and improved subject to the following restrictions which shall run with the land and shall be binding upon Developer, and upon all parties having or acquiring any right, title or interest in and to the real property or any other part or parts thereof subject to such restrictions. The restrictions contained herein shall apply to all Lots, Dwellings and Commons Areas in the Development, as well as to any future phases within the Subdivision at the election of the Developer.

ARTICLE I Definitions

As used throughout this Declaration, the following terms shall have the meanings set forth below, which meanings shall be applicable to both the singular and plural forms of such terms:

- 1.1 Additional Property. The term "Additional Property" shall mean and refer to any real property and any Improvements situated thereon lying adjacent to or in close proximity with the Property (but which does not presently comprise any part of the Development) which Developer may from time to time submit and add to the provisions of this Declaration.
- 1.2 **Architectural Review Committee**. The term or letters ARC shall mean the architectural review committee appointed pursuant to Article III hereof with the rights and obligations conferred upon such architectural review committee pursuant to this Declaration.

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83.00

- 1.3 **Architectural Standards**. The term "Architectural Standards" shall mean the standards prepared, issued, and amended from time to time by the ARC for the purpose of reviewing and approving all exterior Improvements, landscaping, and any other Improvements which may be made to any Lot or Dwelling.
- 1.4 **Articles of Incorporation**. The term "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of the Association.
- 1.5 **Assessment**. The term "Assessment" shall mean the annual and special assessments and any other charges assessed against any Owner by the Association.
- 1.6 **Association.** The term "Association" shall mean Rosemary Gate Townhomes Owners' Association, Inc., an Alabama nonprofit corporation.
- 1.7 **Board.** The term "Board" shall mean and refer to the Board of Directors of the Association and their duly elected successors as provided in the Article of Incorporation and Bylaws.
- 1.8 **Bylaws**. The term "Bylaws" shall mean and refer to the bylaws of the Association, as the same may be amended from time to time.
- 1.9 **Common Areas**. The term "Common Areas" shall mean and refer to Common Areas D as shown on the plat recorded in Town Plat Book 39, at Page 73. This area are to be utilized for amenities and for other purposes for the benefit of the Lot Owners.
- 1.10 **Declaration**. The term "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions of Rosemary Gate Townhomes and all amendments thereto.
- 1.11 **Developer**. The term "Developer" shall mean Dilworth Development, Inc., its successors and/or assigns, but shall not include any Owner, unless otherwise agreed in writing.
- 1.12 **Development.** The term "Development," with an initial capital letter, shall mean and refer to the Property and all Improvements thereon and any of the Additional Property submitted to the provisions of this Declaration.
- 1.13 **Dwelling**. The term "Dwelling," with initial capital letter, shall mean and refer to any improved Lot or Townhome.
- 1.14 **Improvement**. The term "Improvement," with an initial capital letter, shall mean and refer to all Dwellings, any building, structure, or device constructed, erected, or placed upon any Lot which in any way affects the exterior appearance of any Lot or Dwelling. Improvements shall include, by way of illustration and not limitation, buildings, sheds, foundation, covered patios, underground utilities, roads, driveways, walkways, paving, curbing, parking areas, trees, shrubbery, landscaping, fences, screening, walls, signs, and any other artificial or man-made changes or alterations to the natural condition of any Lot or Dwelling. "Improvements" shall also mean any grading, any excavation, or fill, the volume of which exceeds eight (8) cubic yards.
- 1.15 **Living Space.** The term "Living Space" shall mean and refer to the enclosed and covered areas within a Dwelling which are heated and cooled by heating, ventilating, and air-conditioning equipment, exclusive of garages, carports, porches, terraces, balconies, decks, patios, courtyards, greenhouses, atriums, bulk storage areas, attics, and basements.

- 1.16 Lot. The term "Lot" shall mean and refer to each of those unimproved, designated portions of the Property shown on the plats entitled (1) Rosemary Gate, Redivision of Lots 40 Through 57A, Corrective Plat, Being A Redivision of Lots 40-52 Old Towne Station and Lots 53A-57A Rosemary Gate recorded in Town Plat Book 39, at Page 73, (2) Lots 95 through Lot 121 as shown on that certain plat entitled Rosemary Gate Subdivision, Redivision of Future Development 2.53 Acre Parcel Old Towne Station recorded in Town Plat Book 40, at Page 173 and (3) Lots 64-A through 69-A as shown on that certain plat entitled Rosemary Gate Subdivision, Redivision of Lots 53-76, 81-84 Old Towne Station, Redivision of Lots 65-A Through 68-A, all of which being recorded in the Office of the Judge of Probate of Lee County, Alabama, to contain townhomes, and upon which it is intended that a Dwelling be constructed thereon. A parcel of land shall be deemed unimproved and thus considered to be a Lot rather than a Dwelling, until the Improvements constructed thereon are sufficiently complete to reasonably permit habitation thereof. Upon such completion, such Lot and the Improvements thereon shall collectively be considered to be a Dwelling for purposes of this Declaration.
- 1.17 **Mortgage**. The term "Mortgage," with an initial capital letter, shall mean and refer to any mortgage, deed of trust, or other security device encumbering a Lot or Dwelling or any interest therein and which shall have been duly and properly recorded in the Probate Office of Lee County, Alabama.
- 1.18 **Mortgagee.** The term "Mortgagee," with an initial capital letter, shall mean and refer to the holder of any Mortgage.
- 1.19 **Occupant**. The term "Occupant" shall mean and include any Owner, the family members, guests, tenants, agents, employees, and invitees of any Owner and their respective family members, guests, tenants, agents, employees, invitees, and any other person who occupies or uses any Dwelling within the Development. All actions or omissions of any Occupant is and shall be deemed the action or omission of the Owner of such Dwelling.
- 1.20 **Owner**. The term "Owner," with an initial capital letter, shall mean and refer to the record Owner, including Developer, of fee simple title to any Lot or Dwelling whether a corporation, partnership, proprietorship, association, or other entity of any nature, including natural persons, but shall not include (i) any Mortgagee unless and until such Mortgagee has foreclosed on its Mortgage and purchased such Lot or Dwelling at the foreclosure sale held with respect to the foreclosure of such Mortgage or (ii) any lessee, purchaser, contract purchaser, or vendor who has an interest in any Lot or Dwelling solely by virtue of a lease, contract, installment contract, or other agreement.
- 1.21 **Property.** The term "Property," with an initial capital letter, shall mean and refer to that certain real property situated in Lee County, Alabama, which is more particularly described in Exhibit A attached hereto and incorporated herein by reference. The Property shall also include any Additional Property made subject to this Declaration.
- 1.22 **Subdivision Plat**. The term "Subdivision Plat" with an initial capital letter, shall mean and refer to the subdivision plats entitled (1) Rosemary Gate, Redivision of Lots 40 Through 57A, Corrective Plat, Being A Redivision of Lots 40-52 Old Towne Station and Lots 53A-57A Rosemary Gate recorded in Town Plat Book 39, at Page 73, (2) Lots 95 through Lot 121 as shown on that certain plat entitled Rosemary Gate Subdivision, Redivision of Future Development 2.53 Acre Parcel Old Towne Station recorded in Town Plat Book 40, at Page 173, and (3) Lots 64-A through 69-A as shown on that certain plat entitled Rosemary Gate Subdivision, Redivision of Lots 53-76, 81-84 Old Towne Station, Redivision of Lots 65-A Through 68-A, all of which being recorded in the Office of the Judge of Probate of Lee County, Alabama.

1.23 **Townhome**. The term "Townhome," with an initial capital letter, shall mean and refer to the Improvements constructed on any Lot which is intended to be used as a residential dwelling.

ARTICLE II Mutuality of Benefit and Obligation

SECTION 2.1 Mutual Servitudes. The covenants conditions, restrictions and agreements sets forth herein are made for the mutual and reciprocal benefit of each and every Lot, Common Areas, and Dwelling in the Subdivision and are intended to create mutual, equitable servitudes upon each of the said Lots, Common Areas, and Dwelling in favor of each and all the other Lots, Common Areas, and Dwelling therein, to create reciprocal rights between the respective Owners of said Lots and Dwellings; and to create a privity of contract and estate between the grantees of said Lots and Dwellings, their heirs, legal representatives, successors and assigns.

SECTION 2.2 General Declaration. Developer hereby declares that the Property is and shall be subject to the easements, covenants, conditions, restrictions, chargers, liens, and regulations of this Declaration; and the property, any part thereof and each Lot, Dwelling, and Common Area thereof shall be held, owned, sold, transferred, conveyed, hypothecated, encumbered, leased, occupied, built upon, and otherwise used, improved, and maintained subject to the terms of this Declaration, which easements, covenants, conditions, restrictions, chargers, liens, and regulations shall run with the title to the property and shall be binding upon inure to the benefit of Developer and upon the Owner and Occupants of the Property and any Lot, Dwelling, and Common Area thereof.

SECTION 2.3 Development of Property. Developer shall have the right, but not the obligation, for so long as Developer owns any Lot or Dwelling in the Subdivision, to make improvements and changes to all Common Areas and to all Lots or Dwellings owned by Developer, including without limitation: (i) installation and maintenance of any Improvements in or to the Common Areas, (ii) changes in the location of the boundaries of any Lots or Dwellings owned by Developer or of the Common Areas, and (iii) installation and maintenance of any water, sewer, and any other utility systems and facilities in the Common Areas.

SECTION 2.4 Additional Property. Developer reserves the right, in its sole discretion, at any time and from time to time to add Additional Property to the provision of this Declaration. At the time any Additional Property specifically submitted to the terms and provisions of this Declaration, then such Additional Property shall constitute part of the Property. Submission of Additional Property need not be consented to or approved by any Owner, Occupant or Mortgagee of any Lot or Dwelling. An amendment to the Declaration shall refer to this Declaration stating the book and page number of recordation in the land records of Lee County, Alabama, where this Declaration is filed for record and contain a description of the Additional Property and shall state that said Additional Property is conveyed subject to the terms and conditions in this Declaration. The number of votes in the Association shall be increased by the Number of Lots or Dwellings within the Additional Property which are added and submitted to the Declaration and there shall continue to be one vote in the Association per Lot or Dwelling within the Development.

In no event shall Developer be obligated to submit any Additional Property to the provisions of this Declaration situated adjacent to or in close proximity with the Development. Notwithstanding anything provided in this Declaration to the contrary, to the provisions in this article may not be modified, rescinded, supplemented or amended, in whole or in part, without prior written consent of Developer, its successors or assigns.

SECTION 2.5 Subdivision Plat. Developer reserves the right to record, modify, amend, revise, and otherwise add to, at any time and from time to time, a subdivision plat setting forth such information as Developer may deem necessary with regard to the Development, including, without limitation the locations and dimensions of all Lots, Dwelling, Common Areas, Additional Property, public or private roads, utility systems, drainage systems, utility easements, drainage easements, access easements, set-back line restrictions, retention ponds, and drainage basins. Any such subdivision plats or any amendments thereto shall be binding on the portions of the Property indicated thereon as if such subdivision plat were specifically incorporated into this Declaration and no approval thereof shall be required by any Owner, Occupant or Mortgagee of any Lot or Dwelling. Notwithstanding anything provided to the contrary in this Declaration, Developer may at any time, or from time to time, divide and re-divide, combine and re-subdivide any Lot owned by Developer.

SECTION 2.6 Reservation of Maintenance Easement. Developer does hereby establish and reserve for the Association, its agents, employees, heirs, successors and assigns a permanent and perpetual right and easement to enter upon any Lot or Dwelling for the purpose of mowing, removing, clearing, cutting, pruning underbrush, weeds, stumps or other unsightly growth and removing trash so as to maintain reasonable standards of health, fire, safety and appearance within the Development. Said easement shall not impose any duty or obligation upon Developer or the Association to perform any of the foregoing actions.

SECTION 2.7 Reservation of Environmental Easement. Developer does hereby establish and reserve for the Association and the ARC, its agents, employees, heirs, successors and assigns a permanent and perpetual right and easement on, over, across, and upon all Lots and all unimproved portions of any Lot or Dwelling for the purpose of taking any action necessary to effect compliance with the Architectural Standards, or any watershed, soil erosion, or environmental rule, regulations, or procedures instituted by any governmental authorities or the Board. Except in the case of emergency situations, the exercise by Developer, the Association or the ARC of the rights reserved in this section shall not unreasonably interfere with the use or occupancy of any Dwelling situated on any Lot.

ARTICLE III Architectural Review Committee and Requirements of Construction

SECTION 3.1 Concept. It is intended that the Subdivision will be a residential community of high esteem with first class quality homes in a neighborhood environment. As such, elevations and exterior finishes for each of the Dwellings have already been designated by the Developer.

In order to preserve the architectural and aesthetic appearance and the natural setting and beauty of the Development, to establish and preserve a harmonious design for the Development and to protect and promote the value of the Property, the Lots, the Dwellings, and all Improvements thereon, no Improvements shall be commenced, constructed, erected, installed, placed, moved on, altered, replaced, relocated, permitted to remain on or maintained on any Lot or Dwelling by Owner, other than Developer, which affects the exterior appearance of any Lot or Dwelling unless plans and specifications have been submitted to and approved by the Architectural Review Committee.

SECTION 3.2 Architectural Review Committee.

SECTION 3.2.1 The Architectural Review Committee (herein referred to as the "ARC") shall be composed of one (3) or more members at all times. Regardless of the number on the ARC, at least a majority of the membership of the ARC shall be composed of Owners of Lots in the Subdivision, provided, however, that the Developer reserves the right to appoint the initial and successor members of the ARC, none of whom need to

be an Owner of a Lot in the Subdivision, for so long as the Developer owns any Lots in the Subdivision or until the Developer specifically elects to terminate its control of ARC. The initial ARC shall consist of Michael Dilworth. After terminating control of the ARC by the Developer, aforesaid, the then record Owner of a majority of the Lots shall have the power, through a duly recorded written instrument, to change the membership of the ARC or to withdraw from the ARC or to restore to it any of its powers and duties. Neither the members of the ARC, nor its designated representatives, shall be entitled to any compensation for services performed pursuant hereto. A majority of the ARC may designate one or more representatives to act for it.

SECTION 3.2.2 The primary duty of the ARC shall be to examine and approve or disapprove of all plans, including site plans, for construction or repair of Improvements on Lots within this Subdivision in accordance with the provisions of this Declaration. The ARC shall have such other responsibilities, duties and authority as provided for, but the ARC shall not have any responsibility, duty or power not expressly provided for herein.

SECTION 3.2.3 Decisions made by the ARC as outlined herein and as are necessary for the development of the Subdivision in consistency with this Declaration shall be made by a majority vote, if applicable, by the ARC as established herein.

SECTION 3.3 Plan Approval. All Plans (as defined herein) for any Dwelling or Improvement to be erected on or moved upon any Lot and the proposed location thereof on any Lot or Lots, the construction material, the roofs, any later changes or additions after initial approval thereof and any exterior remodeling, reconstruction, alterations or additions thereto on any Lot shall be subject to and shall require approval in writing of the ARC before any work is commenced. Construction may not be started before receipt of a letter of approval of the ARC, a copy of which must be signed by the builder or Lot Owner and returned to the ARC for retention. The ARC reserves the right to retain an outside architect to review any submitted plans for viability and/or other grounds. Owner hereby agrees to pay the reasonable cost of such architect's services for plan review, not to exceed Five Hundred and No/100s (\$500.00) dollars.

SECTION 3.4 Review Documents. One set of prints of the drawings and specifications (hereinafter referred to as "Plans") for each Dwelling or Improvement proposed to be constructed on any Lot shall be submitted for review or approval by the ARC. Said Plans should be delivered to the general office of the Developer, or to any member of the ARC at least thirty (30) days prior to the commencement of construction. Each such Plan must include the following:

SECTION 3.4.1 All Plans for structures shall be not less than 1/8-inch equals 1-foot scale.

SECTION 3.4.2 All Plans must take into consideration the particular topographic and vegetative characteristics of the Lot or Lots involved.

SECTION 3.4.3 All Plans must state the elevations of all sides of the proposed structure as such sides shall exist after finished grading has been accomplished.

SECTION 3.4.4 The foundation and floorplan(s) shall show the existing grade on each elevation in order that the extent of cut and/or fill areas may be easily and clearly determined.

SECTION 3.4.5 The site plan shall show all outlines, setbacks, drives, fences, and underground trench locations as a scale of one-inch equals twenty (20) feet.

SECTION 3.4.6 All Plans must include a summary specification list of proposed materials and samples of exterior materials which cannot be adequately described and of materials with which the ARC is unfamiliar.

SECTION 3.5 Design Criteria, Structure.

SECTION 3.5.1 It is the intent of this Subdivision to maintain itself with a distinctive appearance through a mixture of predetermined exterior surfaces.

SECTION 3.5.2 Each plan for each Lot shall provide either a sub-grade or at-grade attached garage. Garage doors shall be kept closed at all times except when in use. No garage shall be converted to any use other than for the parking of vehicles therein without the approval of the ARC. All automobiles owned or used by the Owner or Occupant of any Dwelling in their respective family members shall be parked in carports or garages to the extent such space is available.

SECTION 3.5.3 All windows shall be made of painted or coated metal or vinyl. Storm doors shall be allowed to cover doors with the approval of the ARC. Enclosed front porches shall not be permitted.

SECTION 3.5.4 No window air-conditioner shall be installed on the front of any structure.

SECTION 3.5.5 Electrical distribution to individual Dwellings shall be provided by underground service. No overhead electrical wiring shall be permitted unless approved by the ARC.

SECTION 3.5.6 No swimming pools, either in-ground or above ground will be permitted.

SECTION 3.5.7 The location and type of any fencing must be approved by the ARC prior to construction. All fencing shall extend from the rear corner of the Dwelling and no fencing shall be permitted on the front side of any Dwelling.

SECTION 3.5.8 All mailboxes shall be designed and located in accordance with the overall architectural scheme of the residency and must meet requirements of the United States Postal Service. All mailboxes shall be standardized, of the same type, design, color and location as may be established by the ARC. The exact mailbox to be used in the Subdivision shall be controlled by the Developer and utilized by all builders of all Lots in the Subdivision. Only one mailbox shall be allowed on any Lot or Dwelling. Mailboxes shall contain only the house number of the Lot or Dwelling as approved by the ARC, and no further inscriptions, paintings, ornaments or artistry shall be allowed. Any replacement mailbox is the responsibility of the Association and shall be identical to the initial mailbox supplied by the Developer in all respects and requirements, including location thereof, unless otherwise approved by the Association.

SECTION 3.5.9 During the construction, all vehicles, including those delivering supplies, must enter the building site only on driveways and roads approved by the ARC and such vehicles must be parked on the building Lot where the construction is under way so as to not unnecessarily damage trees.

SECTION 3.5.10 All building debris, stumps, trees, etc., must be removed from each Lot by the builder as often as necessary to keep the Dwelling and Lot attractive, which determination shall be at the sole discretion of the ARC. Such debris shall not be dumped in any area of the Subdivision.

SECTION 3.5.11 During construction, the builder must keep Lots clean and yards cut.

SECTION 3.5.12 There shall be no signs nailed to trees at any time. All builders' and contractors' signs are to be removed from the Lot after the building is completed. Placement of any alarm company signs shall be approved by the ARC, and at their sole discretion.

SECTION 3.5.13 Drainage of surface water, stormwater, and/or foundation drains may not be connected to sanitary sewers.

SECTION 3.5.14 No outside clotheslines shall be permitted.

SECTION 3.5.15 Outdoor furniture of a permanent nature and all recreational appliances, devices and/or structures shall be located at the rear of the Dwelling located on the Lot, subject to the following specific criteria:

- (a) Any furniture placed, kept, installed, maintained, or located at the rear of or behind a structure shall, to the greatest extent practicable, be located so that the same shall not be visible from any street.
- (b) Wood piles shall be located only at the rear of the structure and shall be screened by appropriate landscaping from view from streets and, to the extent practicable, for adjacent lots.
- (c) Children's toys, swing sets, jungle gyms, trampolines, and other outdoor and recreational equipment and appurtenances shall be allowed only at the rear or behind a structure and shall, to the extent practicable, be located so that the same are not visible from any street.
- (d) Freestanding playhouses and treehouses shall be permitted only after ARC review and approval of the same, which approval may be withheld in the sole discretion of the ARC.
- (e) Basketball backboards shall be placed only in locations approved by the ARC.
- (f) Barbecue grills or other types of outdoor cooking equipment and apparatus shall be located only at the rear of a structure and, to the extent practicable, shall not be visible from the street.
- (g) All birdfeeders, wood carvings, plaques, and other types of home crafts shall be located only at the rear of a structure and shall not be visible from the street.

SECTION 3.5.16 All exterior lighting, including, without limitation, free standing lighting and utility lights attached to a structure, must be approved by the ARC and no such lighting shall interfere with the use and enjoyment of adjoining Lots.

SECTION 3.5.17 No exterior above ground liquified fuel storage containers in excess of ten (10) gallons of any kind shall be permitted.

SECTION 3.5.18 No radio or television antenna, satellite dish, or other similar device or aerial shall be attached to or installed on any portion of the Property unless the same is contained entirely within the interior of a building or other structure or is otherwise not visible from any street or adjacent Lot and is approved by the ARC. No radiation or transmission shall be permitted to originate from any Lot which may interfere with the reception of radio or television signals within the Property.

SECTION 3.5.19 No lot corner stakes or pins may be removed. In the event that such are removed or destroyed either during construction of a Dwelling or at any other time, it shall be the responsibility of the Owner of the Lot to have such restored by a licensed surveyor at the Lot Owner's expense. The failure of a Lot Owner to restore or replace such lot stakes or pins in accordance with the final subdivision plat shall authorize the Developer or Association (as hereinafter defined) to have such work performed and to charge the expense thereof to the Owner.

SECTION 3.5.20 Dust abatement and erosion control measures shall be implemented by the contractor or Owner in all stages of construction. Proper erosion control plans shall be submitted to the ARC for approval prior to the construction phase beginning. These plans should set out in detail the methods to be utilized and any builder or subcontractor that will be responsible for the implementation of the plan.

SECTION 3.5.21 The ARC requires the prior approval of all builders and subcontractors that will work on any structure or improvement on any Lot in the Subdivision. A list of said builders and subcontractors shall be submitted for approval either with the initial Plan or prior to the beginning of any construction or site preparation.

SECTION 3.5.22 Any fees or costs associated with tapping into or connecting to the water system for the City of Auburn, including but not limited to the meter loop fee and the impact fee shall be paid by the owner of the Lot or Dwelling, and shall not be the responsibility of either the Developer or the ARC.

SECTION 3.6 Plans or Specifications Defects. Neither the ARC nor any architect nor agent thereof nor the Developer shall be responsible in any way for any defects in any Plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such Plans and specifications.

The ARC reserves the right to modify or amend the above regulations from time to time at its discretion.

ARTICLE IV EXCLUSIVE RESIDENTIAL USE AND IMPROVEMENTS

SECTION 4.1 Residential Lots. Except as otherwise provided to the contrary herein, each Lot and Dwelling shall be used for residential purposes only.

SECTION 4.2 Subdivision. No Lot shall be subdivided without the consent of the Developer and/or ARC.

SECTION 4.3 Detached Residences/Outbuildings. No outbuildings of any type shall be permitted.

SECTION 4.4 Occupants of Dwellings. Each Lot and Dwelling shall be used for residential purposes only. No more than a single-family unit and one unrelated person shall occupy any Dwelling.

ARTICLE V General Prohibitions and Requirements

SECTION 5.1 Conditions of Lots. It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly or unkept conditions of buildings or grounds on such Lot which shall tend to decrease the beauty of the specific area or of the Subdivision as a whole.

SECTION 5.2 Maintenance. All Lots, whether occupied or unoccupied, and any improvements placed thereon, shall at all time be maintained in a neat and attractive condition and in such manner as to prevent their becoming unsightly by reason of unattractive growth on such Lot or the accumulation of rubbish or debris thereon. In order to implement effective control of this item, the Developer reserves for himself and his agents and the Association, the right, after ten (10) days' notice to any Lot Owner, to enter upon any residential Lot with such equipment and devises as may be necessary for the purpose of mowing, removing, clearing or cutting underbrush, weeds or other unsightly growth and trash which in the opinion of the Developer or the Association

detracts from the overall appearance and safety of the Subdivision. Such entrance upon such property for such purposes shall be only between the hours of 7am and 6pm on any day except Sunday and shall not be a trespass. The Developer of the Association may charge the Lot Owner a reasonable cost for such services, which charge shall constitute a lien upon such Lot enforceable by appropriate proceedings at law or equity. The provisions of this paragraph shall not be construed as an obligation on the part of the Developer or the Association to mow, clear, cut or prune any Lot nor to provide garbage or trash removal services.

SECTION 5.3 Animals. No animals, livestock or poultry of any kind or description, except the usual household pets, i.e., cats and dogs, (not to exceed two in number), shall be kept on any Lot, provided that no household pet may be kept on any Lot for breeding or commercial purposes. No pet shall be allowed to make an unreasonable amount of noise or become a nuisance. No structure or area for the care, housing or confinement of any pet shall be constructed or maintained in the front of any Dwelling; all such structures or areas shall be located at the rear of a Lot and only constructed of materials and of a size approved by the ARC. To the greatest extent possible, no structure or area for the care, housing or confinement of any pet shall be visible from the road. Dogs and/or other pets shall not be allowed to roam unattended but shall be kept and maintained within fenced or walled areas on a Lot, as approved by the ARC, or otherwise under leash. Each Owner shall be liable to the Association for the costs of repairing any damage to the Property caused by the animals of such Owner or Occupant. The Board shall have the right from time to time to promulgate rules and regulations governing the keeping of animals within the Property, including the right to assess fines for violations of such rules and regulations.

SECTION 5.4 Noxious, Offensive or Illegal Activities. No noxious, offensive or illegal activities shall be carried on upon any Lot nor shall anything be done on any Lot which may be or may become an annoyance or nuisance to the Subdivision, with the determination of what constitutes an annoyance or nuisance being in the sole discretion of the Association.

SECTION 5.5 Drilling, Refining, and Quarrying Operations. No oil or natural gas drilling, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted on any Lot. No water pipe shall be installed or maintained on any Lot above the surface of the ground except hoses and movable pipes for irrigation purposes.

SECTION 5.6 Trash, Garbage, and Refuse. No trash, lumber, metal, garbage, rubbish, or debris of any kind shall be dumped, placed, or permitted to accumulate on any Lot, nor shall any nuisance or odors be permitted to exist or operate which would render any portion thereof unsanitary, unsightly, offensive, or detrimental to persons using, occupying, or owning any other Lots within the Property. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted, except during the construction phase without prior approval of the ARC and the City of Auburn. Any Owner or Occupant or any of the respective family members, guests, invitees, servants, agents, employees, or contractors of such Owner or Occupant who dumps, places, or allows trash or debris to accumulate on any other portion of the Property shall be liable to and for all costs incurred by the Association to remove the same.

Trash, garbage, and any other refuse or waste shall not be kept except in sanitary containers or garbage compactor units. Trash cans and containers shall at all times be kept at the rear of the Dwelling or inside a structure and shall be screened from view from streets and adjacent Lots by appropriate landscaping or fencing approved by the ARC; provided, however, that trash cans in containers can be moved to the front or side yard on trash collection days.

SECTION 5.7 Signs. All signs, billboards or advertising structures of any kind are prohibited except builder and subcontractor signs during construction periods and except one professional sign of not more than two (2) square feet to advertise the property during sale period. No sign shall be permitted to be nailed or attached to trees.

SECTION 5.8 Temporary Structure. No structure of a temporary character, mobile home, recreational vehicle, trailer, basement, tent or shack shall be used at any time as a residence either temporarily or permanently. There shall be no occupancy of any Dwelling until the interior and exterior of the Dwelling are completed and a certificate, or other satisfactory evidence of completion is received by the Developer or contractor from the Building Official of the municipality where the property is located.

SECTION 5.9 Destroyed Structure. Any Dwelling or other structure on any Lot in the Subdivision which is destroyed in whole or in part for any reason must be rebuilt in one (1) year. All debris must be removed, and the Lot restored to a slightly condition with reasonable promptness, provided that no event shall such debris remain on any Lot longer than sixty (60) days.

SECTION 5.10 Parking. No boat, boat trailer, house trailer, mobile home, camper, motorhome, recreational vehicle or similar equipment or vehicle shall be parked or stored on any road, street, driveway, yard or Lot located in the Subdivision for any period of time in excess of twenty-four (24) hours, except in enclosed garages. No trucks larger than three-fourths (3/4) ton and no tractors or other excavating machinery shall be parked or stored on any road, street, driveway, yard or Lot located in the Subdivision for any period of time in excess of twenty-four (24) hours, except during the period of construction on the Lot. No cars shall remain on the street overnight. Any vehicle which is in operable shall immediately be removed from the Lot. No Owner or Occupant shall repair or restore any vehicle, machinery, or equipment of any kind upon or within any Lot or within any portion of the Property, except (i) within enclosed garages or workshops or (ii) for emergency repairs and then only to the extent necessary to enable the immediate movement thereof to a proper repair facility.

SECTION 5.11 Non-Residential Activity. No professional, business, home industry, religion, school, kindergarten or educational enterprises shall be conducted on any Lot. No Owner or Occupant of any Dwelling erected on any Lot shall ever rent or lease rooms, but such shall not be construed to prevent the rental of an entire residence to a family unit nor the employment of live in domestic servants.

SECTION 5.12 Yards and Drives. Prior to occupancy of any residence constructed on any Lot, all yard areas which are visible from any street or adjoining Lot must be planted with grass or have other suitable ground cover, and driveways must be paved or otherwise approved by the ARC.

No Owner or Occupant may plant additional flowers, trees, bushes, hedges or shrubbery planting, nor any vegetable, herb, or similar gardens, without the prior written consent of the Association. No bird baths, fountains, reflectors, flagpoles, statues, lawn sculptures, lawn furnishings, artificial plants, rock gardens, rock walls, bird houses, or other fixtures and accessories shall be placed or installed within any Lot, unless approved by the Association. Seasonal or holiday decoration (e.g., Christmas trees and lights, pumpkins, Easter decorations) shall be promptly removed from each Lot as soon as such holiday passes.

SECTION 5.13 Set Back Lines. No building shall be located nearer to the street line than as indicated by the building set-back lines shown on the recorded Subdivision plat. Where the set-back lines are less than those required by the zoning ordinance of the municipality where the Lot is located, the higher requirement shall control. For the purposes of this paragraph, eaves, steps and open porches not covered by roof structure shall

not be considered as a part of building, provided however, that this shall not be construed to permit any portion of the building or construction on any Lot to encroach upon another Lot or upon reserved easements.

No structure or other permanent fixture, excluding landscaping, planting, and mailboxes shall be erected, placed or altered on any Lot between the street and the building set-back line unless the same be a retaining wall of masonry construction which does not in any event rise above the finished grade elevation of the earth embankment so retained, reinforced or stabilized. The exposed part of such retaining walls shall be made of brick, natural stone or concrete block veneered with brick, natural stone or other material approved by the ARC.

SECTION 5.14 Roofing. Maintenance and replacement of the roofing shingles of each Dwelling, which are conjoined across property lines, shall remain uniform, and no Owner or Occupant shall alter same without the prior written consent of the Association. Repair or replacement of roofing shingles shall conform to existing roof and shall be the sole responsibility of the Association. No projection of any type, including but not limited to solar or other energy collection panel, equipment, or device, shall be installed or maintained on any Lot, including, without limitation, the roof of any Dwelling without the prior written consent of the Association. The Association shall not be liable for damage to any Dwelling (1) caused by the elements, act of God, or any Owner or other person, (2) resulting from any surface or subsurface conditions which may at any time affect any portion of the Property caused by rain or other surface water which may leak or flow from any landscaped area maintained by the Association, or (3) resulting from theft, burglary, or other illegal entry into a Dwelling or on the Lot.

SECTION 5.15 Exterior Materials and Finishes; Maintenance. The exterior building material and finishes for each Dwelling in the Development are intended to remain harmonious. Accordingly, no change may be made to any exterior colors, including, without limitation, the color of roof shingles, brick, stone, stucco, wood, trim, cornices, eaves, railings, doors, and shutters without the prior written consent of the Association. The Association shall be solely responsible for the regular maintenance of the exterior paint of all Dwellings.

ARTICLE VI SET BACK LINES AND EASEMENTS

SECTION 6.1 Building Set-Back Lines. The building set-back lines shall be in accordance with the requirements of the City of Auburn.

SECTION 6.2 Easement. Utility and drainage easements shall be designated on the plat of the subdivision.

ARTICLE VII ASSOCIATION

SECTION 7.1 Membership. The Owner of each Lot or Dwelling shall be a member of the Rosemary Gate Townhomes Owners' Association, Inc. (hereinafter referred to as the "Association") a nonprofit corporation that will be created to facilitate the running of the Subdivision. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot or Dwelling; provided, however, that (a) Developer shall be deemed a member of the Association and shall have one (1) vote for each Lot or Dwelling owned by Developer in the Subdivision, (b) in the event any Lot or Dwelling is owned by more than one (1) person, then the Owner of such Lot shall, by written notice to the Association's Board of Directors, (hereinafter referred to as the "Board") designate only one (1) representative to serve as a member of the Association who shall exercise all voting rights attributable to the Lot or Dwelling owned by such, and (c) no Mortgagee shall

become a member of the Association until such time, if at all, that the Mortgagee becomes an Owner by virtue of foreclosure of its mortgage and title to such encumbered Lot or Dwelling is vested in Mortgagee pursuant to a duly recorded deed. The transfer or conveyance of fee title to any Lot or Dwelling (other than by a mortgage as security for the payment of an obligation) shall automatically include the transfer of all membership rights of such owner in the Association with respect to the Lot or Dwelling transferred and conveyed, notwithstanding any failure of the transferor to endorse to his transferee any certificates, assignments, or other evidence of such membership. Membership or the rights and benefits in the Association may not be transferred, assigned, conveyed, or otherwise alienated in any manner separately and apart from the ownership of a Lot or Dwelling. Each member of the Association shall at all times comply with the provisions of this Declaration, the Articles of Incorporation, the Bylaws, and all rules and regulations which may from time to time be adopted by the Board or the members of the Association.

SECTION 7.2 Board. The Board of Directors of the Association (hereinafter referred to as the "Board") shall have the rights and duties set forth in the Articles of Incorporation and the Bylaws. Developer hereby retains and shall have the right to appoint or remove, with or without cause, any member or members of the Board and any officer or officers of the Association until such time as Developer no longer is the Owner of any Lot or Dwelling within the Subdivision, except a Dwelling used as a personal residence. Each Owner, by acceptance of a deed to or other conveyance of a Lot or Dwelling, vests in Developer such authority to appoint and remove members of the Board and officers of the Association as provided by this Section 7.2.

SECTION 7.3 Voting Rights. The Owner of each Lot or Dwelling shall be entitled to one (1) vote in any matters submitted to the members of the Association for approval. No Owner, whether one or more persons, shall have more than one membership and one vote per Lot or Dwelling. Such voting rights shall continue to apply to each Lot or Dwelling upon the addition of any of the Additional Property to this Declaration. Each Owner, by acceptance of a deed or other conveyance to a Lot or Dwelling, consents and agrees to the dilution of his or her voting interest in the Association by virtue of the submission of any Additional Property to the terms of this Declaration. For purposes of this Section 7.3, Developer shall be deemed to be the Owner of and entitled to all voting rights attributable to any Lots or Dwelling owned by Developer.

SECTION 7.4 Duties and Powers of the Association. In addition to the rights, duties, responsibilities and obligations of the Association otherwise set forth in this Declaration, the Association shall have the power to do, cause to be done, and otherwise perform or cause to be performed any of the duties and powers set forth in the Articles of Incorporation and the Bylaws. The Association may exercise any other right or privilege granted to it expressly by this Declaration or by law, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. In the event of any conflict, ambiguity, or inconsistency between the Code of Alabama, this Declaration, the Articles of Incorporation, the Bylaws, or any rules and regulations adopted by the Association, then the provisions of the Code of Alabama, this Declaration, the Articles of Incorporation, the Bylaws, and any rules and regulations adopted by the Association, in that order, shall prevail and each Owner, by acceptance of a deed or other conveyance to a Lot or Dwelling, covenants and agrees to vote in favor of and execute any amendments as may be necessary to remove or alleviate any such conflict, ambiguity, or inconsistency. The powers of the Association shall include, but not be limited to:

SECTION 7.4.1 The power to purchase one or more Lots and/or Dwelling and any other real or personal property, whether tangible or intangible, and to hold, lease, mortgage, sell, and otherwise convey the same.

SECTION 7.4.2 Subject to the provisions of this Section 7.4, the right to borrow money for the purpose of acquiring additional Common Areas for constructing, repairing, maintaining, or improving the Common Areas or any portion thereof or for providing any of the services authorized herein.

SECTION 7.4.3 Subject to the provisions of this Section 7.4, the right to give mortgages or other security instruments encumbering all or any part of the Common Areas as security for any loan obtained by the Association; provided, however, that the lien and conveyance of any such mortgage shall be subject and subordinate to all of the rights and interests of the Developer, the ARC, the Association, and all Owners and Occupants.

SECTION 7.4.4 The right to grant and accept easements.

SECTION 7.4.5 The right to dedicate or transfer fee simple title to all or any portion of the Common Areas to any governmental authority; provided, however, that except as provided herein in this Declaration the dedication or transfer of title to any of the Common Areas must be approved by a majority of those Owners present in person or by proxy at a duly held meeting of the Association called for such purposes.

SECTION 7.4.6 The right to arrange with any of the governmental authorities or any public or private utilities or others, for the furnishing of trash collection, water, sewer, and/or security services for the Common Areas and/or the Lots and Dwellings.

For so long as Developer shall own any Lot or Dwelling, the Association shall not, without the consent of Developer, borrow money or pledge, mortgage, encumber, sell, or otherwise convey an interest it may have in the Common Areas. Except as otherwise specifically provided to the contrary herein, the Association's Articles of Incorporation or Bylaws, the powers and authority granted to the Association may be exercised by the Board, acting through the officers of the Association, without further consent or action on the part of the Owners.

SECTION 7.5 Agreements. Subject to the conditions, restrictions, and other provisions of this Declaration, all agreements, actions, and determinations lawfully authorized by the Board shall be binding upon all Owners, their heirs, executors, personal representatives, administrators, successors, and assigns and all others having any interest in the Subdivision. In performing its responsibilities hereunder, the Association, through the Board, shall have the right and authority to delegate to such persons of its choice such duties of the Association as may be determined by the Board. In furtherance of the foregoing and not in limitation thereof, the Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall deem necessary or desirable for the proper operation of any portion of the Subdivision, whether such personnel are furnished or employed directly by the Association or by independent contract with the Association. All costs and expenses incurred incident to the employment of a manager of the Subdivision or any other Common Area shall be a common expense. During the term of any such management agreement entered into by the Association with a third party, such manager may, if authorized by the Board, exercise all the powers and shall be responsible for the performance of all of the duties of the Association, excepting any of such powers or duties specifically and exclusively reserved to the Board or the officers of the Association by the Declaration, the Articles of Incorporation, or the Bylaws. Such manager may be an individual, corporation, or other legal entity and may be bonded in such manner as the Board may require, with the costs of such bond to be a common expense. In addition to the foregoing, the Association may pay for, and the Board may hire and contract for, such legal and accounting services as are necessary or desirable in connection with the operation of the Subdivision, or the enforcement of this Declaration, the Articles of Incorporation, the Bylaws, or any rules and regulations of the Association.

SECTION 7.6 Management by Developer or its Affiliates. Developer or any affiliate thereof may be employed by the manager of the Association and the Subdivision for so long as Developer owns any Lot or Dwelling within the Subdivision, at such compensation on such terms as would be usual, customary, and obtainable in an arms-length transaction with any third party providing comparable services for any real estate development in the southeastern United States of the size, quality, and nature of the Subdivision. Each Owner, by acceptance of a deed to or other conveyance of a Lot or Dwelling, shall be deemed to ratify the provisions of this Section 7.6 and specifically be deemed to have approved any such management agreement entered into by the Association and Developer or any affiliate thereof.

SECTION 7.7 Rules and Regulations. The Board may establish and enforce reasonable rules and regulations governing the use of all Lots, Dwellings and Common Areas. Without limiting the foregoing, the Board may adopt rules and regulations which shall govern the use of any of the Common Areas (including specifically, the use of any of the recreational facilities, if any, situated within the Common Areas), the enforcement of all of the terms and provisions of this Declaration, and any rules and regulations adopted by the Board and such other matters. Copies of such rules and regulations shall be binding upon all Owners and Occupants until and unless such rule or regulation is specifically overruled, canceled, or modified by the Board or by the majority vote of the total votes of the Association at any regular or special meeting of the Association; provided, however, that no such rules or regulations may be overruled, canceled, or modified unless such action is also approved by Developer for so long as Developer owns any Lot or Dwelling in the Development.

SECTION 7.8 Indemnification. The Association shall and does hereby indemnify, defend, and agree to hold each and every officer, agent, representative, and member of the Board of the Association and ARC harmless from and against any and all expenses, including court costs and reasonable attorneys' fees, suffered, paid, or incurred by any such officer, agent, representative, or member of the Board or ARC in connection with any action, suit, or other proceedings (including the settlement or any suit or proceedings if approved by the Board) to which such person may be made a party by reason of being or having been an officer, agent, representative, or member of the Board of the Association or ARC. The officers, agents, representatives, and members of the Board of the Association shall not be liable for any mistake in judgment, negligence, or otherwise except for their own willful misconduct or reckless disregard of duty, as finally determined by a court of competent jurisdiction. The officers, agents, representatives, and members of the Board of the Association and the ARC shall not be liable for any mistake in judgement, negligence, or otherwise except of their own willful misconduct or reckless disregard of duty, as finally determined by a court of competent jurisdiction. The officers, agents, representatives, and members of the Board of the Association and the ARC shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and the Association shall and does hereby indemnify, defend, and agree to forever hold each such officer, agent, representative, and member of the Board harmless from any and all liability to others on account of any such contract or commitment. The indemnification obligations and rights provided for herein shall not be exclusive of any other rights to which any officer, agent, representative, or member of the Board of the Association or ARC may be entitled, including anything provided to the contrary contained in the Articles of Incorporation or the Bylaws. The Association shall maintain adequate general liability and officers and director's liability insurance in order to fulfill its obligations under this Section 7.8 and the costs of such insurance shall constitute a common expense.

ARTICLE VIII COMMON AREA ASSESSMENTS

SECTION 8.1 Assessments and Creation of Lien. Each Owner of a Lot or Dwelling, by acceptance of a deed or other instrument conveying any interest therein, regardless of whether such deed or instrument contains a reference to this Declaration, is hereby deemed to covenant and agree to pay to the Association: (a) annual Assessments, as established and to be collected as provided in Section 8.3 and 8.4 below, (b) special Assessments, to be established and collected as provided in Section 8.5 below, and (c) individual Assessments against any particular Lot or Dwelling which are established or assessed pursuant to the terms of this Declaration, including, but not limited to, any fines as may be levied or imposed against such Lot or Dwelling in accordance with the provisions herein. All Assessments, together with late charges and interest, and all court costs and attorneys' fees incurred by the Association to enforce or collect such Assessments, shall be an equitable charge and a continuing lien upon each Lot or Dwelling for which the Owner thereof is responsible for the payment of the same, which lien may be enforced in the manner provided herein.

SECTION 8.2 Purpose of Assessments. The annual and special Assessments provided for herein shall be used for the general purposes of promoting the health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of the Subdivision and otherwise for the general upkeep and maintenance of the Subdivision, including specifically, the Common Areas, the pool, the clubhouse, and any improvements thereto, all as may be more specifically authorized from time to time by the Board.

SECTION 8.3 Annual Assessments. Annual Assessments shall be levied by the Association against each Lot or Dwelling and shall be collected and held by the Association for the payment of expenses including without limitation, administrative expenses, utility charges, repair, replacement and maintenance expense in the Development. The annual Assessment shall be divided into twelve (12) equal payments to be paid monthly on the first (1st) day of the month. The foregoing provisions of this Article notwithstanding, no Lot retained by the Developer shall be subject to nor shall Developer be required to pay any annual Assessment so long as ownership of said Lot remains in the Developer.

SECTION 8.4 Initial Assessments. Notwithstanding anything provided to the contrary in this Declaration, the initial annual Assessment for each Townhome, which shall be prorated and due at closing, shall be One Thousand Six Hundred and Twenty and no/100s Dollars (\$1,620.00) payable in equal monthly installments of One Hundred Thirty-Five and no/100s Dollars (\$135.00) due on the first day of each month. The foregoing shall not limit or restrict any special Assessments levied pursuant to Section 8.3 below (with the approval of a majority of the Owners as provided therein) or any individual Assessments levied in accordance with the provisions below. The Board of the Association shall determine and approve annually an annual budget covering the estimated Common Expenses for the Development for the upcoming year, such budget to include a capital contribution and/or reserve account if necessary for the capital needs of the Association. The amount set forth in such budget shall constitute the aggregate amount of annual Assessments for the then applicable year and each Owner shall pay his prorata share of the same as provided in Section 8.4. A copy of the budget setting forth the amount of annual Assessments to be levied against the Lots and Town Homes for the following year shall be delivered to each Owner.

SECTION 8.5 Special Assessments. The Association may, by majority vote of Dwelling Owners voting in person or by proxy at a meeting duly called for such purposes, levy special Assessments for any costs in connection with the construction, reconstruction, repair or replacement of areas in the Subdivision. The foregoing provisions of this Article notwithstanding, no Lot or Dwelling retained by the Developer shall be

subject to nor shall Developer be required to pay any Special Assessment so long as ownership of said Lot or Dwelling remains in the Developer.

SECTION 8.6 Non-payment Remedies. Any Assessments which is not paid when due shall be delinquent. In the event any Assessments or any portion thereof are not paid within ten (10) days after the due date, the Lot or Dwelling Owner(s) shall be in default and the Association may declare the balance of the entire annual Assessment for such Lot or Dwelling immediately due and payable. If the Assessment is not paid within thirty (30) days after the date due, the Assessment shall bear interest from the date due at the rate of twelve (12%) percent per annum, and the Association may bring suit to recover a money judgement for the unpaid Assessment against the Lot or Dwelling Owner without waiving the lien, and/or file a lien against such Lot or Dwelling. When either of the preceding remedies is exercised by the Association, interest, costs and attorney's fees equal to fifteen (15%) of the principal and interest due shall be added to the amount of such Assessment as may then be due. Further, if the Assessment is not paid within thirty (30) days after the date of default, the Association shall give prompt notice of default to the holder of any first mortgage upon said Lot. Each Lot Owner by his acceptance of a deed to a Lot from the Developer or from any subsequent Owner of a Lot vests in the association or its agents the right and power to bring all actions against him personally for the collection of such charges as a debt and to file and foreclose a lien in a suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all Lot Owners. Non-use or abandonment of the Dwelling shall not constitute a defense against any action on account of nay unpaid Assessments.

SECTION 8.7 Responsibility of Developer. The Developer shall not have any responsibility to pay Assessments regarding Lots which are unsold, unless it elects to pay the same.

SECTION 8.8 Other Association Dues and Assessments. Lots in this Development are a part of the Rosemary Gate Homeowners' Association, Inc., ("Homeowners' Association") (F/K/A as Old Towne Station Homeowners' Association, Inc.), and, as such, are subject to the annual dues and assessments as imposed by its Covenants, Conditions and Restrictions as recorded in Deed Book 2307, at Page 1, in the Office of the Judge of Probate of Lee County, Alabama. The regular annual dues of \$600.00 (paid in 4 quarterly installments of \$150.00) currently being assessed by the Homeowners' Association are collected as part of the regular assessments of this Townhome Owners' Association and paid over to the Homeowners' Association on quarterly basis.

ARTICLE IX ENFORCEMENT

SECTION 9.1 In the event of a violation or breach of any of these restrictions by any Owner, Occupant or family of Owner(s) or Occupants, the Developer, the Association, any Owner(s) of Lot(s) or any other party whose benefit these restrictions all inure, shall have the right to proceed at law or in equity to compel compliance with the terms and conditions hereof, to prevent the violation or breach of said restrictions, to sue for and recover damages, reasonable attorney's fees, costs of court, or other charges or to take all such course of action at the same time, or such other legal remedy it may deem appropriate. Any delay or failure on the part of an aggrieved party to invoke an available remedy set forth herein shall not be held to be waiver of that party or an estoppel of that party or of any party to assert any right available to that party upon the recurrence or continuation of said violation or the occurrence of a different violation.

ARTICLE X TERMS AND MODIFICATION

SECTION 10.1 Terms. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty (20) years from the date these covenants are recorded, after which time said covenants shall automatically renew unless terminated.

SECTION 10.2 Amendment by Developer. For so long as Developer owns any Lot or Dwelling within the Development, Developer may amend this Declaration by a written instrument filed and recorded in the Probate Office of Lee County, Alabama, without obtaining the approval of any Owner or Mortgagee; provided, however, that except as otherwise provided in Section 10.3 below, (a) in the event any amendment proposed by Developer materially and adversely alters or changes any Owner's rights to the use and enjoyment of his Dwelling or materially and adversely affects the title to any Lot or Dwelling, then such amendment shall be valid only upon the written consent thereto by fifty percent (50%) of all of the Owners (including Developer who shall have the voting rights attributable to any Lots or Dwellings owned by Developer) or (b) in the event any such proposed amendment by Developer would materially and adversely affect the title and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees affected thereby. Any amendment made pursuant to this Section 10.2 shall be certified by Developer and shall be effective upon recording of the same in the Probate Office of Lee County, Alabama.

SECTION 10.3 Amendment by Owners. Amendments in the Declaration, other than those authorized by Section 10.2 above, shall be proposed and adopted by the Association in the following manner:

SECTION 10.3.1 At any annual special meeting of the members of the Association, an amendment to this Declaration may be proposed by either the Board of the Association or by any Owners present in person at such meeting. Any such proposed amendment must be approved by the Owners holding at least two-thirds (2/3) of the total votes in the Association; provided however that (i) any amendment which material y and adversely affects the security, title or interest of any Mortgagee must be approved by such Mortgagee; and (ii) during any period in which Developer owns a Lot or Dwelling in the Subdivision, then Developer must approve such proposed amendment.

SECTION 10.3.2 Any and all amendments which have been approved in accordance with the provisions of Section 10.3.1 above shall be executed by all parties whose consent to the same is required, including the Owners holding at least two-thirds (2/3) of the total votes in the Association; provided however that in the alternative, a sworn statement of the President of the Association or by the Chairman of the Board stating unequivocally that the agreement of the requisite number of Owners lawfully obtained may be attached to and incorporated into such amendment without joinder of any Owners. Any such amendment shall be effective upon recording of the same in the Probate Office of Lee County, Alabama.

ARTICLE XI SEVERABILITY

SECTION 11.1 Severability. Every one of the restrictions is hereby declared to be independent of, and severable from the rest of the restrictions and of and from every other one of the restrictions and of and from every combination of the restrictions. Invalidation by any court of any restrictions in this instrument shall in no way affect any of the other restrictions which shall remain in full force and effect.

SECTION 11.2 Developer's Rights to Improve Standards. The Developer may include in any contract or deed hereinafter made or entered into, such modifications and/or additions to these protective covenants and restrictions, which will by their nature raise the standards of the Subdivision.

ARTICLE XII Maintenance Responsibilities

SECTION 12.1 Responsibilities of Owners.

SECTION 12.1.1 Unless specifically identified herein as being the responsibility of the Association, the repair or restoration of all Lots, Dwellings and all other Improvements situated thereon or therein shall be the responsibility of the Owner of each Lot; provided, however, that no exterior changes, alterations, or Improvements shall be made to any Lot or Dwelling without first obtaining the prior written approval of the same from the Association.

SECTION 12.1.2 No Owner shall (i) decorate, change, or otherwise alter the appearance of any portion of the exterior of a Dwelling or the landscaping, grounds, or other improvements within a Lot unless such decoration, change, or alteration is first approved, in writing, by the Association or (ii) do any work which, in the reasonable opinion of the Association would jeopardize the soundness and safety of any other Dwelling within the Subdivision, reduce the value thereof, or impair any easement or hereditament thereto, without in every case obtaining the prior written approval of the Association.

SECTION 12.1.3 Each Owner shall be solely responsible for obtaining and maintaining public liability, property damage, title, and all other types of insurance with respect to his Lot and Dwelling. The Board may require all Owners to carry public liability insurance with respect to their respective Lots and Dwellings and to furnish copies or certificates thereof to the Association. Each Owner, by acceptance of a deed or other instrument conveying any interest in any Lot, does hereby waive and release Developer, the Association, and their respective agents, employees, representatives, partners, shareholders, members, officers, and directors, from any and all liabilities or damage covered by (or which should be covered by) fire and casualty (e.g., homeowner's and/or builder's risk) insurance and general liability insurance which any Owner maintains, even if such loss or damage has been caused by the fault or negligence of any of the foregoing persons or parties.

SECTION 12.2 Responsibilities of Association.

SECTION 12.2.1 Except as may be otherwise provided herein to the contrary, the Association shall, to the extent it has received sufficient sums from the Owners through Assessments, keep in place the termite bond for each Townhome, maintain and keep in good repair the exterior of all Dwellings, including, without limitation the roof, paint, and veneer, and the Lots, including, without limitation, the landscaping and sidewalks located thereon. Said responsibility shall include the maintenance, repair, and replacement of all landscaped areas, including all lawns, trees, shrubs, hedges, grass, and other landscaping situated within or upon any Lot or Common Area. The Association shall maintain and replace, as necessary, all landscaping and sidewalks within the Development.

SECTION 12.2.2 The Association shall not be liable for injuries or damage to any person or property (i) caused by the elements, act of God, or any Owner or other person, (ii) resulting from any surface or subsurface conditions which may at any time affect any portion of the Property caused by rain or other surface water which may leak or flow from any landscaped area maintained by the Association, or (iii) resulting from theft, burglary, or other illegal entry onto any Lot. No diminution or abatement of

Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken by or performed by the Association hereunder or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association or from any action taken by the Association to comply with any requirements of the governmental authorities.

SECTION 12.2.3 The Board shall have the authority to obtain and maintain in effect at all times such public liability insurance coverage covering any damage or injury caused by the negligence of the Association, its Board, and all members, officers, agents, and employees thereof, in such amounts, with such insurance carriers, at such costs, and with such deductibles as the Board, in its sole discretion, may deem necessary or desirable.

SECTION 12.2.4 The Board shall have the right and authority to obtain workman's compensation insurance, employer's liability insurance, and all other types of insurance required by law, including, without limitation, errors and omissions and directors and officer's liability insurance coverage, in such amounts, with such insurance carriers, at such costs, and with such deductibles as the Board, in its sole discretion, may determine. The cost of insurance coverage authorized hereunder and written in the name of the Association shall be a Common Expense. To the extent the same may be obtained at a nominal cost, all such policies shall contain a waiver of subrogation clause pursuant to which the insurer waives any claims against the Association, the members of the Board, and all officers, agents, and employees of the Association.

ARTICLE XIII GENERAL

SECTION 13.1 Captions and Headings. The captions and headings contained in this Declaration are for convenience of reference only and shall not be used in the construction or interpretation of any provisions of this Declaration.

SECTION 13.2 Pronouns and Plurals. All personal pronouns used in this Declaration, whether used in the masculine, feminine, or neuter gender, shall include all other genders. The use of the singular tense shall include the plural and the use of the plural shall include the singular.

SECTION 13.3 Binding Effects. The terms and provisions of this Declaration shall be binding upon each Owner, Occupant, and Mortgagee and the respective heirs, executors, administrators, personal representatives, successors, and assigns of each Owner, Occupant, and Mortgagee, and shall inure to the benefit of Developer, the ARC, the Association, all of the Owners, Occupants and their respective Mortgagees and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

SECTION 13.4 Conflict or Ambiguity. In the event of any conflict or ambiguity in the terms and provisions of this Declaration, the general rules of construction against one party as a result of that party having drafted this Declaration are hereby waived by each Owner and, to the fullest extent allowed by law, no conflicts or ambiguity shall be resolved in favor or to the advantage of one party as opposed to another in interpreting any ambiguity or conflict contained herein.

SECTION 13.5 No Reverter. No restriction or provision hereof is intended to be or shall be construed as a condition subsequent or a possibility of reverter in favor of Developer nor shall any provision be deemed to vest any reversionary interest in Developer.

(L.S.)

SECTION 13.6 ORAL STATEMENTS Oral statements or representations by Developer, the Association, or any of their respective employees, agents, representatives, successors, or assigns, shall not be binding on Developer, the Association.

SECTION 13.7 Notices. Notices required hereunder shall be in writing and shall be delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association or, if no such address has been so designated, at the address of such Owner's respective Lot or Dwellings within the Development. All notices to the Association shall be delivered or sent in care of Developer to the following address:

Dilworth Development, Inc. 2124 Moores Mill Road, Suite 130A Auburn, Alabama 36830

or to such other address as the Association may from time to time specify in a notice to the Owners. All notices to Developer shall be sent or delivered to Developer at the above address or to such other addresses as Developer may notify the Association.

SECTION 13.8 No Waiver. All rights, remedies, and privileges granted to Developer and the Association pursuant to the terms and provisions of this Declaration shall be deemed to be cumulative, and the exercise of any one or more of such rights, remedies, or privileges shall not be deemed to constitute an election of remedies nor shall it preclude the party exercising the same, or any other party, from pursuing such other and/or additional rights, remedies, or privileges as may be available to such party at law or in equity. The failure at any time to enforce any covenant or restriction set forth herein shall in no event be deemed a waiver of the right thereafter to enforce such covenant or restriction.

IN WITNESS WHEREOF, Developer has caused this Declaration to be duly executed as of the day of December 2018.

DILWORTH DEVELOPMENT, INC.

an Alabama corporation

Michael Dilworth, Its President

STATE OF ALABAMA LEE COUNTY

I, Wen To Bearden, a Notary Public in and for said County in said State, hereby certify that Michael Dilworth, whose name as President of Dilworth Development, Inc., an Alabama corporation, is

signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as act of said corporation.

Given under my hand this the 20th day of December 2018.

Notary Public:

My commission expires:

GWEN H. BEARDEN

My Commission Expires

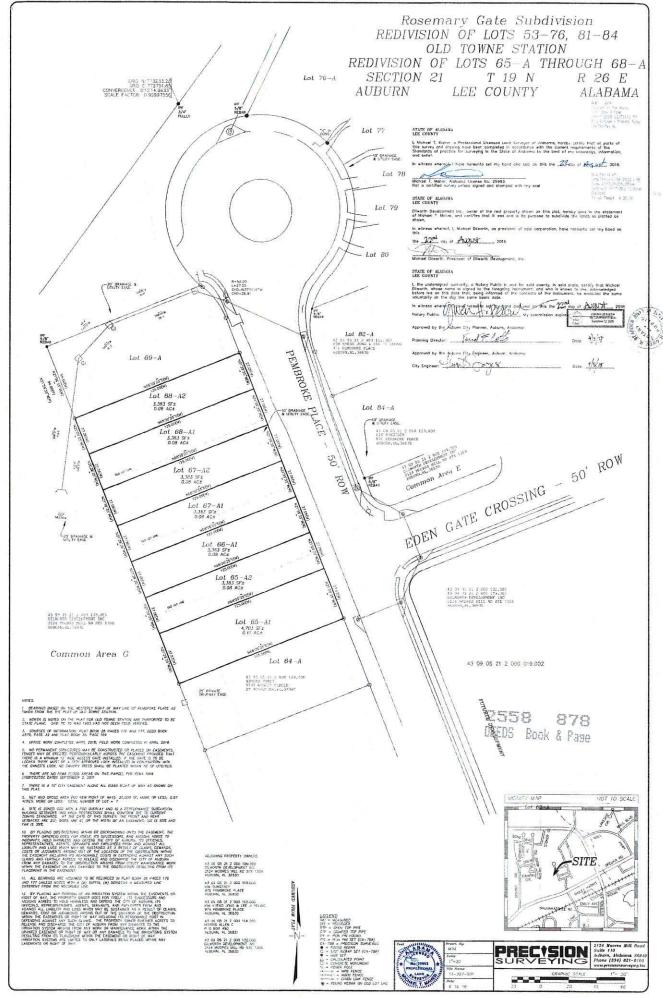
December 12, 2022

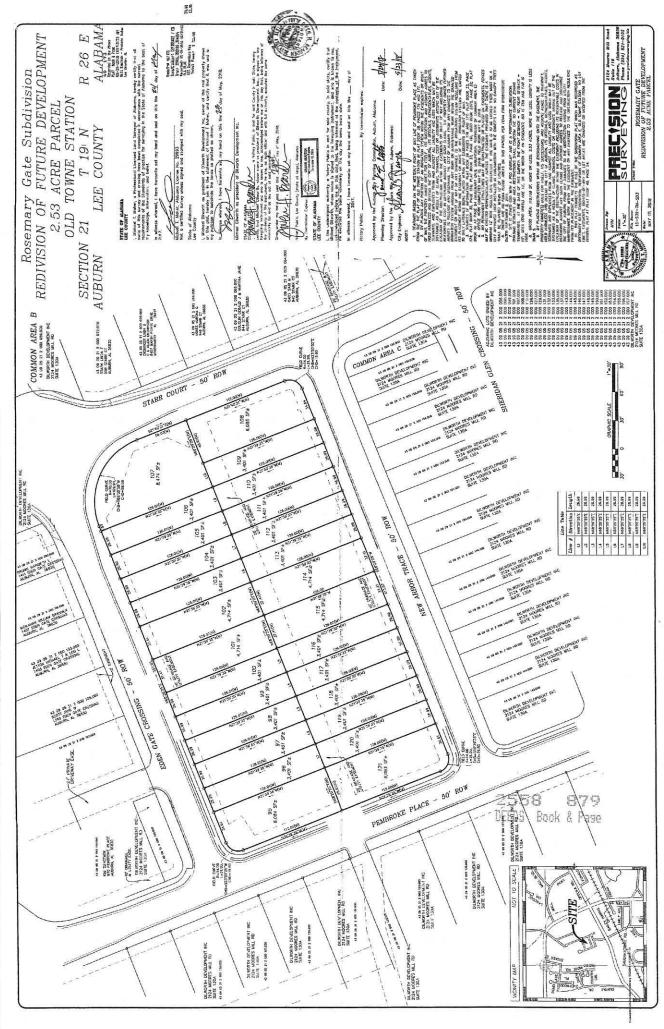
Prepared by:

Dilworth Development, Inc. 2124 Moores Mill Road, Suite 130A Auburn, Alabama 36830 (334) 821-6610

Exhibit "A"

Property Submitted to Covenants





Lots 40A-52A,53-A1-57-A1

